

Neifeld Docket No: CAT29US-SCRCO3

Application/Patent No: 09/756,788

USPTO CONFIRMATION NO: 6599

File/Issue Date: January 10, 2001

Inventor/Title: MICHAEL C. SCROGGIE ET AL./System and Method for Providing Shopping
Aids and Incentives to Customers Through a Computer Network

Examiner/ArtUnit: JANVIER/3688

ENTITY STATUS: LARGE

37 CFR 1.181 PETITION TO REVIEW A DECISION OF TECHNOLOGY CENTER
DIRECTOR

I. STATEMENT OF THE RELIEF REQUESTED

In response to the decision of Technology Center Director dated April 10, 2009, the applicant seeks review of that part of the decision denying the applicant's request to enter the appeal filed 10/23/2008 and require the examiner to respond to the appeal filed 10/23/2008.

The applicant also seeks review of the decision of the Technology Center Director dated April 10, 2009 to not remove the application from the current examiners.

II. STATEMENT OF MATERIAL FACTS IN SUPPORT OF THE PETITION

The prior petition, filed January 30, 2009, is incorporated by reference herein. However, that petition stated the following relevant facts:

1 On 1/21/2003, the office mailed an office action naming Examiner Gravini, which examined and rejected claims 32-58. This office action was indicated to be NON final.

2 On 5/21/2003, the office mailed an office action naming Examiner Gravini, which examined and rejected claims 32-58. This office action was indicated to be final.

3 On 9/9/2003, the Tech Center director mailed a letter noting that the 5/21/2003 office action had been expunged because "inappropriate comments were made by the examiner."

This was the first instance of impropriety in this case.

4 On 9/17/2003, the office mailed an office action naming Examiner Gravini, which examined and rejected claims 32-58. This office action was indicated to be final.

5 On 3/14/2004, the applicant filed an appeal.

6 On 5/4/2004, the office mailed an office action naming Examiner Gravini, and examining claims 32-91. This office action reopened prosecution after an appeal. This office action was

improperly indicated to be final.

This was the second instance of impropriety in this case.

7 On 7/15/2004, the applicant filed a petition to have the improper finality of the 5/4/2004 office action removed.

8 On 8/4/2004, the applicant requested reinstatement of the appeal.

9 On 8/27/2004, the Tech center director mailed a decision granting the petition to remove the finality status, vacating the finality, entering the appeal brief and notice of appeal filed 8/4/2004, and instructing the examiner to consider the appeal brief filed 8/4/2004.

10 On 10/29/2004, the office mailed an office action naming Examiner Janvier, which improperly required restriction between 3 allegedly distinct inventions for claims 32-91. This action was indicated to be NON final.

This was the third instance of impropriety in this case.

11 On 1/18/2005, the applicant filed a response to the 10/29/2004 requirement, with traverse.

12 On 1/18/2005, the applicant also filed a supplemental appeal brief and request to reinstate the appeal.

13 On 2/3/2005, the applicant filed a petition against the restriction requirement and to reinstate the supplemental appeal brief filed 8/4/2004.

14 On 4/18/2005, the office mailed an office action naming Examiner Janvier, which examined and objected to claims 32-91. This office action stated that it 'vacated' the prior office action. However, it contained ONLY a new improper requirement for restriction, this time a more burdensome requirement listing 5 allegedly distinct inventions.

This was the fourth instance of impropriety in this case.

15 On 6/24/2005, the applicant filed a response to the second election requirement, a notice of appeal, and a third supplemental appeal brief listing all claims, with request to reinstate the appeal.

16 On 7/1/2005, the applicant filed a petition against the 4/18/2005 improper restriction requirement and to reinstate the third supplement appeal brief filed 6/24/2005.

17 On 9/21/2006, the office mailed a paper, Notification of Non Compliant Appeal Brief, naming Examiner Janvier, improperly requiring a listing of support for each dependent claim argued separately.

This was the fifth instance of impropriety in this case.

18 On 10/17/2006, the applicant filed a response to the 9/21/2006 notice, traversing the requirements in the notice, and filing a paper titled "Fourth Supplemental Appeal Brief".

19 On 9/17/2008, the office mailed a paper naming Examiner Janvier, reopening prosecution, examining claims 32-91, and rejecting those claims. This office action is was indicated to be NON final.

20 On 9/28/2008, the applicant an amendment and evidence in support thereof.

21 On 10/23/2008, the applicant reinstated the appeal, filing a new notice of appeal and appeal brief.

22 On 1/27/2009, the office mailed a paper signed by Examiner Janvier, Notice of Non Compliant Appeal Brief. This paper improperly states that:

This Application is not in condition for Appeal. Indeed, the filing of an Appeal Brief in the Instant Application is premature. On 09/17/08, the Office mailed a Non-Final Action to the Applicant. On 09/29/08, the Applicant filed a request for reconsideration, under 37 CFR 1.111, consisting of a claim amendment and arguments. Even before, the Examiner issues a response to the 1.111 reply, Applicant filed on 10/23/08 a Notice of Appeal together with an Appeal Brief. Here, the Applicant can either render the 1.111 reply null and void to thereby proceed with the Appeal Brief after updating the said Appeal or withdraw the Appeal and have the 1.111 reply considered by the Examiner.

This is the sixth instance of impropriety in this case.

23 On or about 1/27/2009, I left voicemail messages with the examiner and the SPE listed in the last office action for the examiner, requesting that they withdraw the Notice and thereby moot this petition. On 1/28/2009, SPE James Myhre left me a voicemail indicating that he was now the SPE on this case.

24 On 1/29/2009, I left two long voicemails for Examiner Janvier explaining the basis why the Notice was improper and noting each of the other improper actions identified in the facts section of this petition, and requesting he timely withdraw the Notice in order to moot a need to file this petition. The examiner left me voicemail messages in response to my vm reiterating the reasons for the Notice.

25 On 1/29/2009, I spoke via telephone with SPE Myhre and requested that he withdraw the outstanding Notice. I explained why. I explained that Ex Parte Lemoine and the rules authorizing an appeal provided a right of appeal any time an application for patent was rejected two or more times. SPE Myhre disagreed. SPE Myhre indicated he thought the notice was proper because the claims now appealed have not been examined, and appeal prior to examiner

of claims is improper. SPE Myhre also indicated that if he decided this petition, he would deny it.

26 On 1/30/2009, the applicant filed a petition to the director to invoke supervisory authority.

27 On 1/30/2009, the applicant filed a paper complying with the 1/27/2009 notice, with traverse, only because failure to do so would have resulted in the examiner improperly holding the application abandoned, pursuant to the 1/27/2009 Notice deadline, 2/26/2009.

28 35 USC 132(a) states that:

35 U.S.C. 132 Notice of rejection; reexamination.

(a) Whenever, on examination, any claim for a patent is rejected, or any objection or requirement made, the Director shall notify the applicant thereof, stating the reasons for such rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing the prosecution of his application; and if after receiving such notice, the applicant persists in his claim for a patent, with or without amendment, the application shall be reexamined. No amendment shall introduce new matter into the disclosure of the invention. [Underlining added for emphasis.]

29 35 USC 134(a) states that:

35 U.S.C. 134 Appeal to the Board of Patent Appeals and Interferences.

(a) PATENT APPLICANT.— An applicant for a patent, any of whose claims has been twice rejected, may appeal from the decision of the primary examiner to the Board of Patent Appeals and Interferences, having once paid the fee for such appeal. [Underlining added for emphasis.]

30 Ex parte Lemoine states in relevant part that:

To reach a decision requires to construe the word "claims" as used in § 134. The word is susceptible to at least two interpretations. It can refer to the claims of an application, i.e., the "one or more claims particularly pointing out and distinctly claiming the subject matter" of the invention required by 35 U.S.C. § 112, ¶2. Or the word can be used in a more general sense to refer to claims "for a patent" as it is used in 35 U.S.C. § 132. In this latter sense, the word is synonymous with a request or demand for a patent. Section 134 merely uses the word "claims." We must, therefore, decide which construction to give to the statute. We conclude that "claims" in § 134 should be construed consistently with its use in § 132 to mean "claims for a patent" rather than particular "claims of an application."

Section 134 is part of Chapter 12 of Title 35. Chapter 12 is titled "Examination of Application" and sets forth the general procedures to be followed in the Office for examination. Sections 131 to 134 provide the general procedures relating to ex parte examination. In relevant part, these sections specify that (1) an examination shall be made (§ 131); (2) if "any claim for a patent" is rejected, the applicant shall be informed of the bases of the rejection (§ 132); (3) if the applicant persists in the "claim for a patent, with or without amendment," the application shall be reexamined (§ 132); and (4) if applicant's claims have been twice rejected, the applicant may appeal (§ 134). Considering these sections together, we conclude that the "claims" as used in § 134 is a reference to the repeated "claim for a patent" as used in § 132 rather than a reference to a particular claim "of an application." *Under our interpretation, so long as the applicant has twice been denied a patent, an appeal may be filed.* So construing the statute, we conclude that applicant's claims for a patent have been twice rejected. Applicant has been denied a patent three times. Applicant, therefore, had

the right to appeal and we, accordingly, have jurisdiction. [Ex parte Lemouine, 46 USPQ2d 1420, ____ (PTOBPAI 1994)(precedential decision of a BPAI expanded panel,12/27/1994). Underlining and italics added for emphasis.]

31 37 CFR 41.37(a) specifies the rule depending from 34 USC 134(a), stating that:

§ 41.31 Appeal to Board.

(a) Who may appeal and how to file an appeal. (1) Every applicant, any of whose claims has been twice rejected, may appeal from the decision of the examiner to the Board by filing a notice of appeal accompanied by the fee set forth in § 41.20(b)(1) within the time period provided under § 1.134 of this title for reply. [Underlining added for emphasis.]

32 37 CFR 41.31 was promulgated in the Final Rule published 8/14/2004, at 69 FR 49960.

33 Comment 36 in the Final Rule published 8/14/2004 states that:

Comment 36: One comment suggests that §§ 41.31(a)(1), (a)(2) and (a)(3) be amended to provide for appeal at any time after being twice or finally rejected, as appropriate, during pendency of the proceeding where no time period under § 1.134 is running. The comment states that the suggested change would ensure that § 41.31 would not be interpreted more restrictively than 35 U.S.C. 134, which sets forth no condition regarding when an appeal can be filed, apart from the requirements for claims being twice rejected (as in 35 U.S.C. 134(a)) or finally rejected (as in 35 U.S.C.134(b) and (c)). *The comment also states that this amendment would prevent any potential inconsistency of the rules with the Board's precedential opinion, Ex parte Lemoine, 46 USPQ2d 1420, 1423 (BPAI 1994).*

Answer: The suggestion will not be adopted. Sections 41.31(a)(1), (a)(2)

and (a)(3) were proposed to generally incorporate the requirements of former § 1.191(a) (2003) and to subdivide § 1.191(a) into three parts to improve readability. Both former § 1.191(a) (2003) and §§ 41.31(a)(1), (a)(2) and (a)(3) are more restrictive than 35 U.S.C. 134 in that an appeal must be filed within the time period provided under § 1.134 for response to either a final rejection or a non-final rejection which rejects the claims for a second time, as appropriate. For example, an applicant for a patent whose claims have been twice rejected but not finally rejected, may appeal from the decision of the examiner to the Board by filing a notice of appeal accompanied by the fee set forth in § 41.20(b)(1) within the time period provided under § 1.134. However, if such an applicant files an amendment within the time period provided under § 1.134, the applicant may not file an appeal ***outside the time period provided under § 1.134.*** In such a situation, the applicant must wait for a new rejection by the examiner before an appeal can be filed. [69 FR 49974 right hand column; bold and italics added for emphasis.]

34 The USPTO posts all of the BPAI's precedential decision on its web site:
<http://www.uspto.gov/web/offices/dcom/bpai/prec.htm>

35 As of 1/29/2008, there are only 17 such decisions.

36 On 4/10/2009, Wynn Coggins, Director of Technology Center 3600 issued a decision on petition under 37 CFR 1.181(a)(3) to invoke supervisory authority of the director.

37 On page 4 lines 1-5 the 4/10/2009 decision states that:

The appeal is a proper reply filed within the time period provided under 37 CFR 1.134; however it is a supplemental reply which was not entered as a first proper reply had already been filed within the time period provided under 37 CFR 1.134 and which said supplemental reply does not fall under any of the instances

set forth in (a)-(f) outlined above.

38 A copy of the petition filed January 30, 2009 is attached herewith as Exhibit 1.

39 A copy of the decision on petition dated April 10, 2009 is attached herewith as Exhibit 2.

III. REASONS WHY THE RELIEF REQUESTED SHOULD BE GRANTED

A. SUMMARY REGARDING THE APPEAL

The relief requested should be granted for the reasons specified in the petition filed January 30, 2009. That petition and its arguments are incorporated herein by reference.

The decision of the Group director is in error on two points. First, that decision is contrary to binding statutory law, 35 USC 132 and 134, even as construed in *Ex parte Lemoine*, which in itself is binding precedential law. Therefore, even if the Group Director was correct that the rules precluded filing an appeal right after an amendment, that fact would be inconsequential because rules do not trump statutory law. Second, that decision's conclusion that an appeal is a "response" within the meaning of 37 CFR 1.111 is also incorrect. Simply stated, there is no basis in law for the Group Director's conclusion that filing an amendment in response to an examiner reopening prosecution in response to an appeal, and then promptly appealing again, is improper.

The fact of the matter is that the applicant has been seeking repose as to patentability via a board decision for a long time, and the effect of the examiner continually reopening prosecution is an end run around the statutory right to that repose, via a decision on appeal.

B. STATUTE AND CASE LAW APPLIED TO THE FACTS OF THIS CASE REGARDING THE APPEAL

35 USC 134, as construed in *Ex parte Lemoine*, authorizes an appeal any time after an applicant's claim for a patent based upon an application has been twice rejected by the examiner. *Ex parte Lemoine* makes it very clear that it is not the inventive claims that must be individually twice rejected, but the "claim for a patent". The applicant's claim for a patent in this case had

been twice or more rejected by the examiner; in fact rejected many times, 5 times. Accordingly, the applicant had a statutory right to appeal at any time, regardless of whether amended invention claims had been examined.

C. THE AUTHORITY THAT THE GROUP DIRECTOR RELIED UPON IS INAPPOSITE REGARDING THE APPEAL

The decision by the Group Director on the prior petition concludes that the filing of an appeal brief after the filing of an amendment that is in response to a non final 5th office action is a "supplemental reply" within the meaning of 37 CFR 1.111(a). On that basis, it concludes that entry of an appeal brief filed after the filing of an amendment in response to a second or subsequent office action is discretionary with the examiner. The Group Director relies upon 37 CFR 1.111(a), MPEP 714.03, and 37 CFR 41.31. There is no basis in those sections for the conclusion that an appeal is a supplemental reply to an office action.

The decision of the Group Director is contrary with statute and rule regarding appeals. 35 USC 134 contains no contingency regarding an applicant's right to appeal to the Board limiting that right to before or after response to a second or subsequent rejection of the application. Corresponding case law construing 35 USC 134 contains no such limitation; Ex parte Lemoine 46 USPQ2d 1420. Rule 37 CFR 41.31 defines by rule the right embodied in statute as construed in Lemoine. It contains no such limitation on appeal after reply to an office action.

The USPTO's own construction of the right of appeal as explained in the commentary on implementation of the existing rule 41.31 clearly states that the right is not removed by the existing of a prior reply to an office action. Fact 32, comment 36 on rule 41.31 states that "However, if such an applicant files an amendment within the time period provided under § 1.134, the applicant may not file an appeal *outside the time period provided under § 1.134*". This example clearly and unequivocally means that, if the applicant does file an amendment and an appeal, and both are within the time for responding to the office action, then the appeal is proper. Accordingly, the appeal is proper and the April 10, 2009 decision of the director is improper. Therefore, the applicant had the right under rule 41.31, 35 USC 134(a), and Ex parte Lemoine, to file the appeal.

The Group Director reasons that an appeal is a reply, and therefore improper after a first reply. The examiner reasons that a notice of appeal is a reply within the meaning of 35 USC 111(a). However, section 1.111 only applies to examination. It is in the subsection of the rules for examination of applications, beginning with rule 101, in section 1. That does not include the subsection of rules for appeal, beginning in section 41. If that were the case, then a notice of appeal after final action would not be entered, since a reply cannot be entered after final action. Moreover, 1.111(a) clearly does not contemplate a notice of appeal being a "reply". An notice of appeal does not comply with the requirements of a reply in 1.111(a). A notice of appeal does not seek before the examiner reconsideration or further examination. Accordingly, a notice of appeal is not a "reply" within the meaning of 1.111(a). Instead, it is a notice that the applicant has abandoned prosecution before the examiner and seeks review of the examiner's rejections.

Furthermore, a notice of appeal does not seek review of every ground of objection, as required for an reply by 37 CFR 1.111(b). Moreover, a notice of appeal cannot meet the requirement in 37 CFR 1.111(b) to advance the "proceeding to final action." After all, an appeal is independent of finality and does not affect finality.

Therefore, there is no basis for the Group Director's conclusion; and whatever basis in rule might exist is clearly contrary to statute and the bulk of the construction of the corresponding rules, 41.31, as noted above.

D. SUMMARY REGARDING TRANSFER OF THE APPLICATION

The applicant requested the application be reassigned. The applicant documented 6 instances of examiner improper action in the prior petition. The Group Director admitted that the notice and requirement objected to in the prior petition were in fact improper and withdrew those requirements via the decision on the prior appeal. Thereby admitting a 7th instance of improper examiner action.

The Group Director reasons that reassignment of this application is not called for because the Group Director's review of the record revealed no "dirty tricks" and that the current examiner has only issued the last two office actions.

In response to the first point, the applicant does not know what constitutes "dirty tricks".

Why do the 7 noted improper procedural action not qualify? Each one has cost the applicant dearly in cost, and lost time. Each was pointless.

In response to the second point, knowledge and communications within the office are outside of the realm of the application. However, the Group Director's statement assumes no communication between prior and current junior examiner and that the actions of the supervisory examiner are irrelevant. The applicant makes no such assumptions, nor should the Commissioner's office.

Finally, it is not merely bias, but the appearance of bias. What would constitute the appearance of bias more so that the existence of seven examiner actions that are shown on this record to be procedurally improper?

There are in fact many cases in the business method area that the undersigned has prosecuted, and many of those have had similar procedural errors, more so it appears anecdotally, than in other areas of the office. However, none had a requirement, as in this case, to "either render the 1.111 reply null and void ... or withdraw the Appeal". As in this case.

DATE: 5-26-2009

SIGNATURE: /BruceMargulies#64,175/

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BTM/ran

May 26, 2009 (4:06pm)

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